

Human Events *A Weekly Analysis for the American Citizen*

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OUR COMMON TASK

by John L. McCaffrey

American capitalism is losing ground, despite the earnest efforts of many men and many organizations. The attack comes from collectivists of all kinds because they cannot hope to realize their ambitions until American capitalism is discredited. So long as it continues to function more successfully than their systems, they not only will be disappointed in their hopes of collectivizing the United States, but they can never feel secure elsewhere.

Unfortunately, not all the attack comes from Socialists and Communists. Probably the most damaging part comes from well-meaning people who do not understand what they are doing, who think that an ordinary man becomes a superman if he holds a government office; who believe that there is some magic power in government to cure all ills; who think that incentive and initiative and freedom can be taken away and still the economy will continue its miracles of production.

I think the success of the attack on American capitalism can be accounted for in two ways. One is that the collectivists have succeeded in spreading a number of fallacies. The other and, perhaps, the more important one is that they have kept businessmen on the defensive. We have been so busy declaring what we were against, that we have neglected to declare -- and even worse have sometimes failed to act on -- the things that we are for. Here I want to make a sharp distinction. The fallacies, I believe, can be cleared up with words and facts. The negative attitude, however, cannot be cured by words alone. It can only be cured by action plus words; deeds plus explanation.

II

What are these fallacies that the collectivists have been selling? Certainly one of the foremost is the fallacy of security. Security is the one thing they forever promise. "Give us the power", they always say, "and we will make you secure." But the promise carries a price tag -- and a heavy one.

Whenever a collectivist promises to make you secure, you will find that the price tag includes giving up freedom. They promise economic security, for example, but it always means that we must give them various controls: government will order where men shall work, and at what,

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and for how much; and what goods shall be produced, and how many, and who can buy. By the time the collectivists have finished their controlling and their limiting and their forbidding and their commanding, what began with a promise of prosperity for everyone, forever, ends up as an "austerity" program or a "second five-year-plan" or some other scheme for dividing the scarcity.

Now if there is any one fact which all human experience proves, it is that life cannot be made perfectly secure. War comes, pestilence comes, crop failures come. Leaving aside the factor of human mistakes, acts of God make absolute security impossible. As has been well said, the closest approach to complete security is in jail, and that, in effect, is where collectivists would have us.

The second fallacy that we hear much about is the wonders of central planning. We ought to take a good long look at this one, for it is presented again and again as a cure-all. We live in a system in which millions of individual people make plans. Some of those plans are wrong, surely. But many individual plans can be mistaken without greatly damaging the general welfare. In this central planning idea, only a few men in government make the plans. They are no wiser and no smarter than other men but they undertake to think for all of us. When their plan is wrong, then we are really in trouble, for a central plan gone wrong can wreck everybody.

Look at this central planning idea from another slant. Where have we made our great advances in this country? Have they come from the government? Have they even come from corporations? They have not. The great advances have come from individual human beings, rare human beings, geniuses, if you will. The basic fact about genius is that it is rare. It cannot be planned. Genius is where you find it. It grows in unlikely places. Ask yourself this:

Would government central planners have picked a 22-year-old Virginia farm boy, not an engineer nor an economist, not even a college graduate, to mechanize the world's agriculture? Would central planners have chosen an unschooled ex-newsboy and railroad telegraph operator to invent the electric light, the phonograph and motion pictures? Would a remote government planning board have selected a 40-year-old mechanic in a small Western city to put America on wheels? You know they wouldn't. Yet those three men were Cyrus Hall McCormick, Thomas A. Edison and Henry Ford.

III

Then there is the fallacy that attacks private property as somehow immoral and dangerous: "Production for use and not for profit." The central idea of this fallacy is that the government should control production and distribute the products. Socialists and Communists and the other collectivists always propose such schemes as new. They never say how many times they have already been tried and failed. In America this business of government control of production and distribution was tried in 1607, at Jamestown. Captain John Smith reported that:

"When our people were fed out of the common store and labored jointly together, glad was he [who] could slip from his labor or slumber over his task, he cared not how. Nay, the most honest among them would hardly take so much true pains in a week as now, for themselves, they will do in a day. Neither cared they for the increase, presuming that howsoever the harvest prospered, the general store must maintain them; so that we reaped not so much corn from the labors of 30 as now three or four do provide for themselves."

So Jamestown found out, more than 300 years ago, that wealth has to be produced before it can be shared, that private property and personal incentives bring production. The collectivists are embarrassed when these facts are pointed out. It isn't that our system is any better, they say, it's just that God placed so much in our hands. Certainly, it is true that our country is large. But Russia is twice as big. It is true that we have many people. But Russia, China, India, all have vastly more. It is true that we have large natural resources, but Russia's resources are the equal of ours.

Then why do we excel? One answer is tools. Tools come only from saving. And when do men save? They save only when they are free. Freedom is the one thing that distinguishes our American capitalism from all the collectivist States, the thing that makes us different and has brought us our success.

IV

So much for the fallacies the collectivists peddle. But what about our own product? What are we doing to increase the sales of it? I think not nearly enough. Social freedom, political freedom, academic freedom, economic freedom are responsibilities of each of us. They have to be taught and believed in and, above all, acted on by every generation of Americans, if they are to last.

Strangely, I think our failure is due in part to our habit of sticking to our own business, whether we are farmers or lawyers, merchants or bankers, teachers or industrialists. Putting it another way, I think perhaps we have put boundaries around the sphere of what constitutes "our business" that are too narrow. If you believe, as I do,

that we have to be for things and not just against fallacies, we have not done a good job. One reason is that we have confined our ideas of freedom too closely to the economic freedom I have just been discussing. Maybe we have not understood that freedom is not divisible. You can't break it up into little chunks and neatly label one "economic freedom" and another "academic freedom" and another "political freedom".

It is true that Mr. Roosevelt used to talk about four freedoms, but I don't believe there are four freedoms, or twelve, or fifty. I believe there is just one. A man can't be economically free in a State ruled by tyranny. He can't be politically free when government controls the economy. Lincoln was right when he said we could not exist half-slave and half-free. A government which can tell you where to work, and when, and for how much can also tell you whether to vote, and for whom, and how often, and what to teach and when to speak and when to shut up. Freedom is not divisible. We have it or we do not have it.

Aren't there some things we can all be for and do something about? I believe there are. One of them is the basic idea of looking at people as individuals and judging them and treating them on their merits, not as members of a particular class or group. Have we been doing a good job on that? If we had, I think we'd hear a lot less talk about FEPC laws, and about so-called "minority" groups.

Remember back a few years when the National Labor Relations Board made it an unfair labor practice for employers to say what they thought about union relations. We should be ashamed that such action did not immediately produce a whole wave of lawsuits -- not to help employers resist unionization, but because it deprived employers as citizens of a fundamental American right. And if some future board or bureau tried to impose a gag rule on unions, we should be ashamed if we did not go to bat for their right to speak freely.

These are only a few of the things I think we have to be actively and aggressively for. They aren't new, but they are things we can do something about in our towns, in our own businesses. They are things we can live by and I believe we have to live by them if we are to preserve the kind of country we want.

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By Frank C. Hanighen

September 28, 1949

ATOM BOMB REVELATION: You can hear almost anything in Washington these days. While there has been no hysteria since the Truman announcement of the Russian atomic explosion, private reports and speculation about the matter are at sixes and sevens; and the resultant din sounds like a jam session. There are some who wonder whether positive intelligence that Russia possessed the bomb had not reached here early in July, at the time of the curious "Blair House conference". There are others who firmly believe that the news came only last Wednesday, September 21. This column is inclined to the latter belief. For almost a year, it has been pretty well known that the U.S. has had means of knowing just when an atomic explosion would take place anywhere on the globe. Certainly the Soviets have some sort of a bomb. But is it militarily utilizable at present? Observers recall that General Marshall explained to an off-the-record press conference in 1945 that one of the knottiest problems was to make a bomb which could be carried by plane and detonated over a target. If the Russians have not yet solved this problem, how long will it take them to do so? Another widely discussed question is the timing of the President's announcement. Was Truman, as one well publicized version goes, highly altruistic? Did he delay the release until after the Senate vote on the European arms aid, so as not to influence the outcome? An affirmative answer indicates a good deal of credulity. The President might well have expected that the Senate would vote a larger appropriation than the House did; relying on the revelation to overcome the stubbornness of the House in conference.

And the three military services are at it again, more vehemently than ever. The upholders of strategic air power are even more positive than formerly that they are correct, and assert that now our land army plans for defense of Western Europe have become outmoded. On the other hand, Hanson Baldwin, of the New York Times, wrote on September 25 that we would have to expand and strengthen the land army program in Europe. Unless the President puts his foot down, the arguments on military strategy will go on and on. Meanwhile, the idea is expressed that Western Europe, with the possible exception of Spain and Britain, can no longer be defended against Soviet Russia. Finally, we can report rather significant aspects of the Washington clamor. There is no talk about a sudden, preventive war against Soviet Russia. Nor is there any confidence that a modus vivendi can be reached with Stalin by personal conference, or by a UN agreement on atomic control.

The whole picture is truly saddening. Yet nothing depressed us so much as our personal observation of individuals' reactions to last Friday's news. We listened to the spot remarks of a song writer, a television technician, a salesman, a realtor. None showed any fear or hysteria that Friday -- only suspicion. "Why did he release it just now? What's the motive behind this?" These individuals were just average men-in-the-street, not newsmen schooled to look sourly behind official statements. We found it highly disturbing that there should be such skepticism of the nation's Chief Executive in this tragic situation.

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PEEKSKILL: At the time, we felt something was wrong with the reporting and commentaries on the disturbances at Peekskill. Now a more illuminating version of that affair comes from Congressman Ralph W. Gwinn who, in the Congressional Record of September 23, described "The Communist Military Raid on Peekskill". Gwinn said that "what happened in Peekskill was the formation of a Communist military action from New York City and other places with 2,500 people armed with baseball bats, tire

irons, scrap iron, etc. . . . [Peekskill] was invaded on September 4 and I use the word 'invaded' intentionally, by 15,000 outsiders. They came up in buses from Brooklyn, Manhattan, Newark, the Bronx and other places, accompanied by an armed force of 2,500 men operating in military formation under military orders. . . .

"Gentlemen, do you see the pattern? What we are being told in sober newspaper reports is that the Robeson 'concert' was plain military action. It was a clear case of private citizens attempting to exercise military and police functions, in the streets of our towns and the lanes of our countryside. . . . we know that Stalin has ordered military organization and fighting in Italy, France, China, Germany. But this is the United States. We have here an act of military aggression on the soil of the United States. There cannot be two sovereigns. If our states and cities are sovereign, they are solely responsible for police and military activity. Whoever challenges that, challenges our sovereignty and is in fact engaged in military insurrection."

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CHINA: The American China Policy Association of New York issued the following release on September 25. "John Leighton Stuart, American Ambassador to China, disagrees with Secretary Acheson. Was Mr. Acheson deceived? Questioner: Mr. Ambassador, was there ever a time when American aid could have enabled the Nationalist Government of China to defeat the Communists? Ambassador Stuart: Oh yes, certainly. Questioner: Well, Mr. Ambassador, how long back was that? Ambassador Stuart: Oh, any time up to April 1948. Questioner: Well, that would have taken a tremendous amount of money, wouldn't it, Mr. Ambassador? Ambassador Stuart: Oh no, not so very much at all.

"In the China White Paper (page XVI) Secretary Acheson [who has never been to China] completely disagrees with the Ambassador who was on the spot. Mr. Acheson states: 'The unfortunate but inescapable fact is that the ominous result of the civil war in China was beyond the control of the government of the United States. Nothing that this country did or could have done within the reasonable limits of its capabilities could have changed that result; nothing that was left undone by this country has contributed to it.' It is rumored in Washington that the colloquy between Stuart and a "Questioner" recently took place at an off-the-record press luncheon in the Capital.

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SPAIN AND ECA: We relate the following story to point up one of the curiosities of our foreign policy and of the Marshall Plan. It concerns Spain, certainly the cause of much perplexity among those who try to fit together the pieces of Mr. Acheson's global puzzle picture. Spain, according to the Secretary of State, is a sort of moral leper. (By some odd logic, Yugoslavia isn't.) Franco violates the principles of freedom of religion, freedom of speech, trial by jury, habeas corpus, etc. Hence we should not have an Ambassador in Madrid and our Export-Import Bank cannot lend Spain any money. As for Spain qualifying for Marshall Plan dollars, that is unthinkable. Or, is it?

The other day in New York, the president of a prominent exporting-importing concern told us the following: Spanish interests approached him about a year ago, seeking to buy a large amount, close to \$100 million worth, of railroad repair equipment, and our friend was prepared to arrange the purchase of this material from American companies. Unfortunately the Spaniards could not pay in dollars, and banks declined to give them credit, in view of the State Department policy towards Franco's government. However, the New York firm has corresponding agents in Paris, Brussels, as well as other European capitals. These agents had no difficulty in

arranging a sale of just the equipment which the Spaniards wanted. A Franco-Belgian combine made the deal with the Spanish Government in the approximate amount of \$80 million, and there was no lack of credit in Paris and Brussels.

But that is not the cream of the jest. "You will be interested to learn", said our American friend in New York, "that ECA dollars provided the railroad equipment." The Economic Co-operation Administration provided the material -- in some cases finished tools, in others semi-finished goods, in still others some raw materials. And so, today, the Franco-Belgian combine is beginning to make the first deliveries on the order to the Spanish Government. It may be that some of our manufacturers of railroad equipment are disgruntled with this outcome. But we can detect no signs of unhappiness in our ultra-moral State Department.

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LETTER FROM PRAGUE: Actually it was a letter written in Prague on September 18 and later mailed to us, air mail, from this side of the Iron Curtain. The writer, a newspaperman, says: "It is very significant that now, high in the Czech Government, acting for Moscow, are former labor union leaders, educators and writers, who once were the 'liberals' crying loudly for reforms, more pay, less work and all kinds of social measures. The clichés used in Czechoslovakia by the Social Democrats are almost identical with those heard in the United States. The Left Wingers in the various political parties were the stepping stones for the Communists. They softened up the people who were oppressed by the Nazis for so many years and who were reaching out for social reforms and liberty. For the old people, the liberals and Left Wingers offered pensions. For the workers, they screamed for social security. For the young people, they demanded job opportunities and better education. They wanted more and better land for the poor farmers.

"In the meantime, there was a steady and rapid infiltration of Communists who operated behind the liberals in the labor unions, schools and youth organizations. The newspapers, magazines and bulletin boards, because of the Communist control of unions, easily fell into line with 'liberal' policies. Czechoslovakia had 23 parties, some with Right and Left Wings. All this made for confusion, and the liberals and Commies increased it. The Commies so befuddled the public that in many sections of the country the people did not vote and thus opened the door for Communist domination.

"It is amazing and not a little disturbing to find so many familiar terms used behind the Iron Curtain. For one thing, there are 'county agents', who contact farmers and farm labor, checking on crops, output, storage bins, etc. -- something like the Triple A boys of our Department of Agriculture. There are 'block leaders' who are in reality informers, watching the inhabitants of each block, what they say, who they consort with, etc. This term was used by Mrs. Roosevelt and became part of the Office of Civilian Defense organization in the war, fortunately for us an organization which missed fire. 'Welfare State' is used by Czech politicians, all Commies now, in talking of the benevolence of their administration. With this, come all the clichés with which we in the U. S. are now so familiar: 'Old Age Security', 'Maternity Benefits', 'Workers' Housing'. These terms were used by the Social Democrats -- counterpart of our New Dealers and Fair Dealers -- before the Communist coup in 1948, and the Commie rulers still use them. The people talk about all these social benefits but admit now that with the advent of each one, they lost their freedom. The government has control of everything; a worker's pay, his vacation, his layoff, his housing, his clothing rations, his food rations, the produce of his back-yard garden, the number of ducks or geese he keeps, the milk production of his cow, his children's education. The only thing the government does not control is the time of the birth of a child and the current joke is that 'it won't be long now before the dictators in Prague will prescribe the how -- when -- and where of a conception.'"

Book Events

Human Action: A Treatise on Economics, by Ludwig von Mises. New Haven: Yale University Press. \$10.00. Reviewed by J. M. Lalley.

Professor von Mises was one of the founders and chief spirits of the school of political economy that flourished in Vienna in the epoch between the wars. The essence of the Viennese doctrine is that political liberty is inseparable from the liberal concept of economics, so that the two must stand or perish together. The present work appears to be a rewriting and enlargement of a study called National-ökonomie: Theorie des Handelns und Wirtschaftens, published at Geneva almost simultaneously with the collapse of the Third Republic and the high tide of Nazi military power. It is even more a work of philosophy than a technical treatise on economics, although Dr. von Mises piously shies away from all metaphysics. It is based upon what he considers to be empirical observation of human behavior, and for this science he borrows the name "praxeology", from the Greek praxis, meaning application in action; and into it he absorbs the whole of what is called classical, or orthodox, political economy, deriving from the French physiocrats and from Adam Smith.

Thus it is perhaps unnecessary to observe that our professor employs the word "liberal" in the traditional or "bourgeois" sense, and with none of the connotations attached to it by the political Left. By "liberalism", indeed, he means precisely those ideas that are now designated by the Left as "reactionary"; the notion of laissez faire, and the principle that the interests of the whole Society are best served where each individual member of it is free to pursue his own aims with a minimum of interference by such artificial institutions as the State or by monopolistic associations like trusts and trades-unions. Liberalism means the voluntary and progressive division of labor and the adjustment of prices and wages by the open market. And yet, as our professor admits, the ostensible aim of liberalism and collectivism is the same; that is, the improvement of the material condition of the generality of mankind; his thesis, however, is that possibility of achieving this purpose under the liberal organization of Society has been demonstrated; and it has been further demonstrated, he insists, that collectivism and economic autarky lead only to strife, impoverishment and barbarism. The liberal premise is that since the vast majority of mankind normally prefers abundance, ease and health to poverty, drudgery and disease, the doctrine that men must be coerced into a better life is paradoxical and false. Liberalism, then, proceeds from a fixed faith in the rational power of man that distinguishes his ways from those of other animals, and enables him to recognize that what he desires may be gained more readily by social co-operation and agreement than by the violent exercise of power.

Freedom and civilization, according to Dr. von Mises, are equally fruits of the division of labor and their growth is concurrent. The notion of natural and innate human rights is untenable in savage societies which allow no place to the physically weak, the maimed or diseased, nor, as he sarcastically remarks, for such champions of the primitive as Rousseau, Nietzsche and Sorel. Civilization results from the inhibition of the destructive human instincts for the sake of satisfying desires still more urgent, and this in turn results from the use of reason. Thus as the economic life of man grows more elaborate he becomes less cruel and violent. Freedom replaced slavery, for the same reason that slavery replaced the slaughter of captives of war -- because it was found economically profitable. But it is always possible for man to reverse the choices made by his ancestors, and to sacrifice his material and moral well-being to his brutal instincts, and so disintegrate social and economic life by wars and revolutions. Dr. von Mises notes the growing appetite for cruelty and violence, reflected in the manners, literature and politics of our time, and does not fail to relate it to the rise of anti-liberal philosophies.